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July 21, 1994

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**EX PARTE**

William F. Caton  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

RE: PR Docket 93-61: Automatic Vehicle Monitoring Systems

Dear Mr. Caton:

On Wednesday, July 20, 1994, representatives of the natural gas utility industry met with Tom Stanley, Chief Engineer of the Office of Engineering and Technology (OET) and with Byron Marchant, Confidential Assistant to Commissioner Barrett regarding the proposed licensing of Automatic Vehicle Monitoring (AVM) in the proceeding indicated above. The individuals and companies representing the natural gas utility industry included: Washington Gas (Ron Boone and Prudence Parks), Southern California Gas Company (Robert Beauregard), Philadelphia Gas Works (Paul Donohue), Brooklyn Union Gas (Frank Earl), Peoples Gas Light and Coke Co. (Steve List) and Lukas, McGowan, Nace & Gutierrez, Chartered (George Lyon and Tom Adcock, Counsel to an ad hoc group of utilities).

The purpose of these meetings was to outline the utility industry's major criticisms of the joint filings of Airtouch Teletrac, Southwestern Bell, MobileVision, Pinpoint Communications and Uniplex and the anecdotal interference data and so-called compromise contained therein. The major points discussed are the same as those contained in my ex parte communication dated July 11, 1994.

Two days prior to our meetings on July 20th, twenty-eight utilities filed with the Commission a complete analysis of the so-called compromise. In that filing we proposed that the FCC direct all interested parties to a meeting chaired by a representative of OET to design and conduct interference tests to and from Part 15 and AVM equipment. The current lack of interference data has been cited by all the FCC representatives with whom we have met as a major defect in this proceeding. We believe that these tests would yield the hard data on which to base a decision that best serves the public interest.

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During our meetings on July 20, we were gratified to learn that the FCC recognizes that interference between Part 15 devices and AVM systems is inevitable (despite the AVM's representations to the contrary), especially as these systems are fully built-out and Part 15 devices proliferate. That is the reason we believe an FCC-directed meeting of interested parties is essential. Information could be exchanged on operational domains and potential parameter changes to determine if the inevitable interference can be minimized.

We must emphasize that we are not interested in delaying these proceedings. We need to get on with the business of providing quality natural gas service to our millions of customers across this nation, and automatic meter readers (AMR's) are becoming a larger and larger component of that service. Every day that the status of these devices remains uncertain is another day in which essential installation and purchasing decisions cannot be made.

We share the FCC's concerns that some AVM proponents are looking to the 902-928 MHz band as an inexpensive means to institute a personal communications system by coupling voice communications with a position fixing system. We are confident that the FCC will make it clear that this is incompatible with and contrary to its overall spectrum allocation plan and will not be an acceptable modification of any licensed use in the 902-928 MHz band.

We understand that several spectrum use alternatives are currently under consideration. One of these is an extended transition period. As we have stated in previous meetings, the substantial investment in AMR technology was cost-justified based on the low per unit cost and its 20-year life expectancy. If the useful life of the device is substantially shortened, the economics of the investment are seriously jeopardized.

The second alternative being considered is band segmentation. Any band segmentation plan implicitly acknowledges that Part 15 users do indeed have a valuable role to play in any spectrum allocation plan. We agree with Mr. Stanley that the actions of the FCC make it clear that the status of the Part 15 community is transitioning from one of no rights to one in which it enjoys virtually comparable rights with the interim licensees within certain segments of the band.

We shall give both these alternatives serious consideration. We would ask that the FCC consider our July 18th proposal as well. It has been formulated after much thought and as a good faith attempt to move the process forward to an ultimate resolution. The natural gas utility industry pledges its full cooperation in reaching

William A. Caton

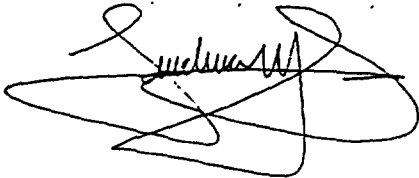
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a solution in the best interests of the public and our customers.

Two copies of this notice are herewith submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules. Please find enclosed a copy of a background paper which was provided to Byron Marchant during the meeting. We understand that this will also be included as part of the record on the above-referenced proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Prudence H. Parks", is written over a large, loopy, circular scribble that also contains some illegible text.

Prudence H. Parks  
Federal Government Relations  
for Washington Gas

Encl.

July 19, 1994

**RESTRICTED USE OF THE  
902-928 MHz FREQUENCY  
(FCC DOCKET 93-61)**

**Background**

In April 1993, the Federal Communications Commission (FCC) released a Notice of Proposed Rulemaking in FCC Docket 93-61 to adopt permanent rules for a new Location and Monitoring Service (LMS) that would operate in the 902-928 MHz band. Since the mid-1980s, the FCC had reserved this same spectrum band to encourage the development and use of unlicensed, low-power devices pursuant to Part 15 of the FCC Rules.

Automatic meter reading (AMR) devices are examples of such low-power Part 15 devices which operate on a cofrequency, cocoverage basis within this 902-928 MHz band. Cordless phones, garage door openers, home security alarms, and health monitoring systems are other examples of Part 15 devices. AMR devices allow utilities to remotely obtain actual monthly readings of meters -- eliminating estimation and the inconvenience to customers of providing access to the meters. There are approximately three million AMR devices already installed on residential utility meters across the nation -- with many more millions to be installed in the next few years -- representing an investment of more than \$500 million on the part of utility company ratepayers.

The Peoples Gas Light and Coke Company -- a Chicago based public utility -- has purchased approximately 90,000 AMR devices, of which 80,000 have been installed, for a total investment of \$6 million. Total projected investment exceeds \$60 million, when all of its approximately 850,000 residential meters will be equipped with AMR devices. AMR technology is particularly important to Peoples Gas since virtually all of its meters are located inside customer residences and over 25% of the meters scheduled to be read each month are inaccessible and cannot be read.

**Status**

Controversy over whether the LMS, and specifically, multilateration automatic vehicle monitoring (AVM) systems, can coexist with Part 15 devices has delayed FCC action on adoption of the proposed LMS rules. An additional period of comment was provided in response to *ex parte* communications regarding the licensing of an AVM system made by Teletrac, a subsidiary of Pacific Telesis of California. The comment period closed on March 15, 1994 and the deadline for reply comments was March 29, 1994. Docket 93-61 had been on the agenda for the FCC public meetings in May, June and again in July, but was removed from the agenda each time.

On June 23, 1994 the LMS users filed a purported compromise in this proceeding. The compromise presented three purported dispute resolution methodologies: 1) an obligation would be imposed on both LMS service providers and Part 15 equipment providers to negotiate in good faith to eliminate harmful interference caused by Part 15 equipment to wideband LMS users; 2) if negotiations are

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unsuccessful, both parties would either submit to binding arbitration or seek relief from the FCC; and 3) the FCC would adopt a threshold interference level below which wideband LMS users could not complain about "harmful interference" from Part 15 devices. This docket is likely to be on the agenda for the FCC's September meeting in order to discuss the compromise.

The compromise is deficient for the following reasons: 1) there is no mention of any accommodations or negotiation procedure should the AVM system interfere with a utility's ability to obtain accurate and reliable meter readings from the AMR system; and 2) there is no suggestion of coparity status in the band between LMS and Part 15 users. If the LMS users believe that cases of interference are and will continue to be insignificant in number, they should accept coequal status. By being licensees in the 902-928 MHz band, the priority status of LMS users under FCC rules allows them to ignore complaints of interference and even to force Part 15 users to cease their AMR operations in the band, notwithstanding the LMS users' assurances to negotiate in good faith to resolve interference with their systems.

### **Problem**

If the FCC grants a license to LMS systems to operate in the 902-928 MHz band, then the Part 15, unlicensed, users would have a lower priority than the licensees. Because of the high probability of interference with the licensed systems, Part 15 users would have to cease operations in the 902-928 MHz band.

As a direct result of, and in reliance on, the FCC's reservation of this band for Part 15 devices, capital investment in AMR technology has been extensive, both on the part of manufacturers and consumers. Thus, rendering AMR devices useless -- when no substantial market demand has been shown for LMS systems and when other technologically superior systems are available -- would be economically wasteful and fundamentally unfair to the current Part 15 manufacturers and users.

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